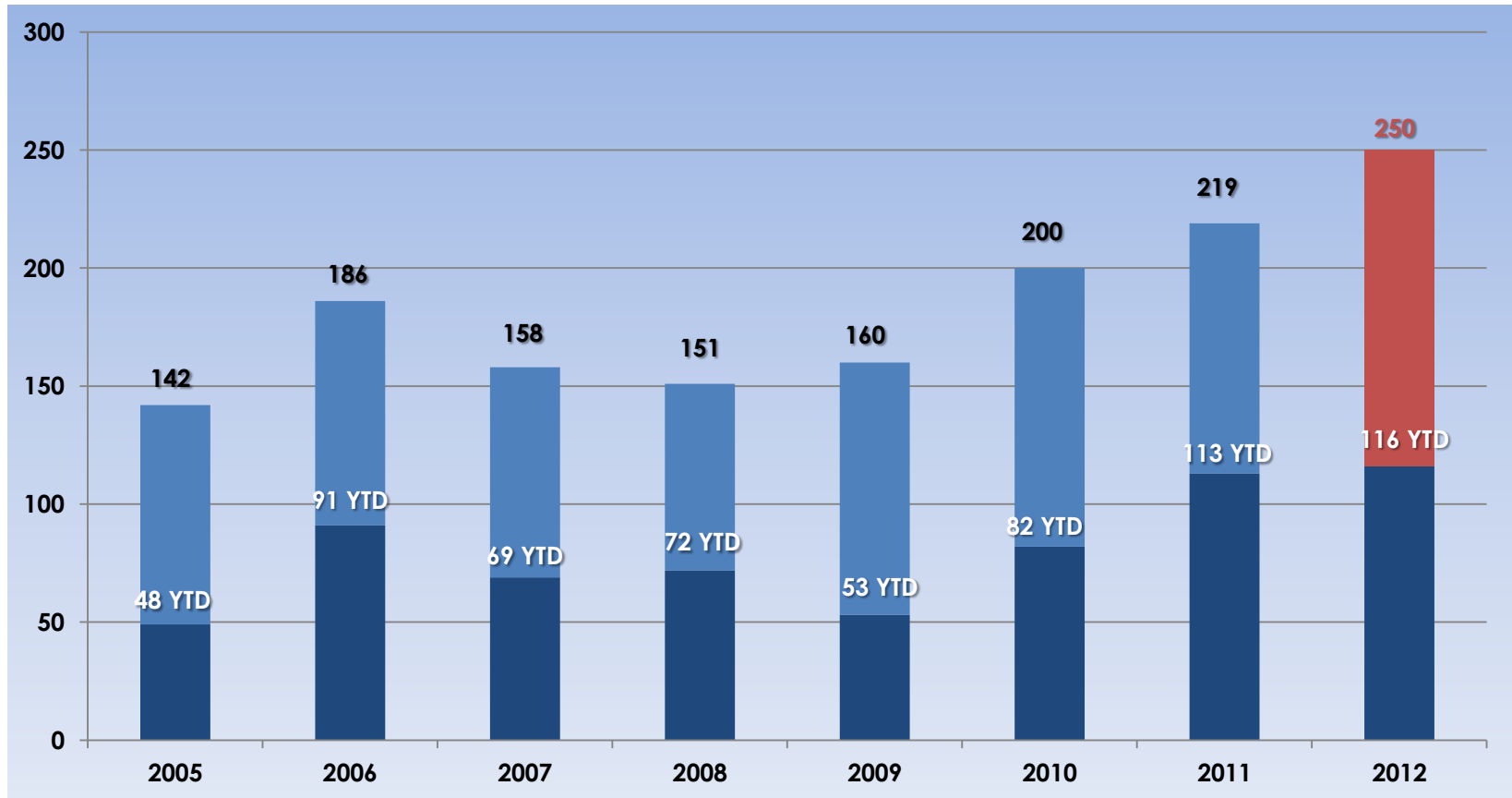


# IEDC BOARD OF DIRECTORS

---

6.14.2012

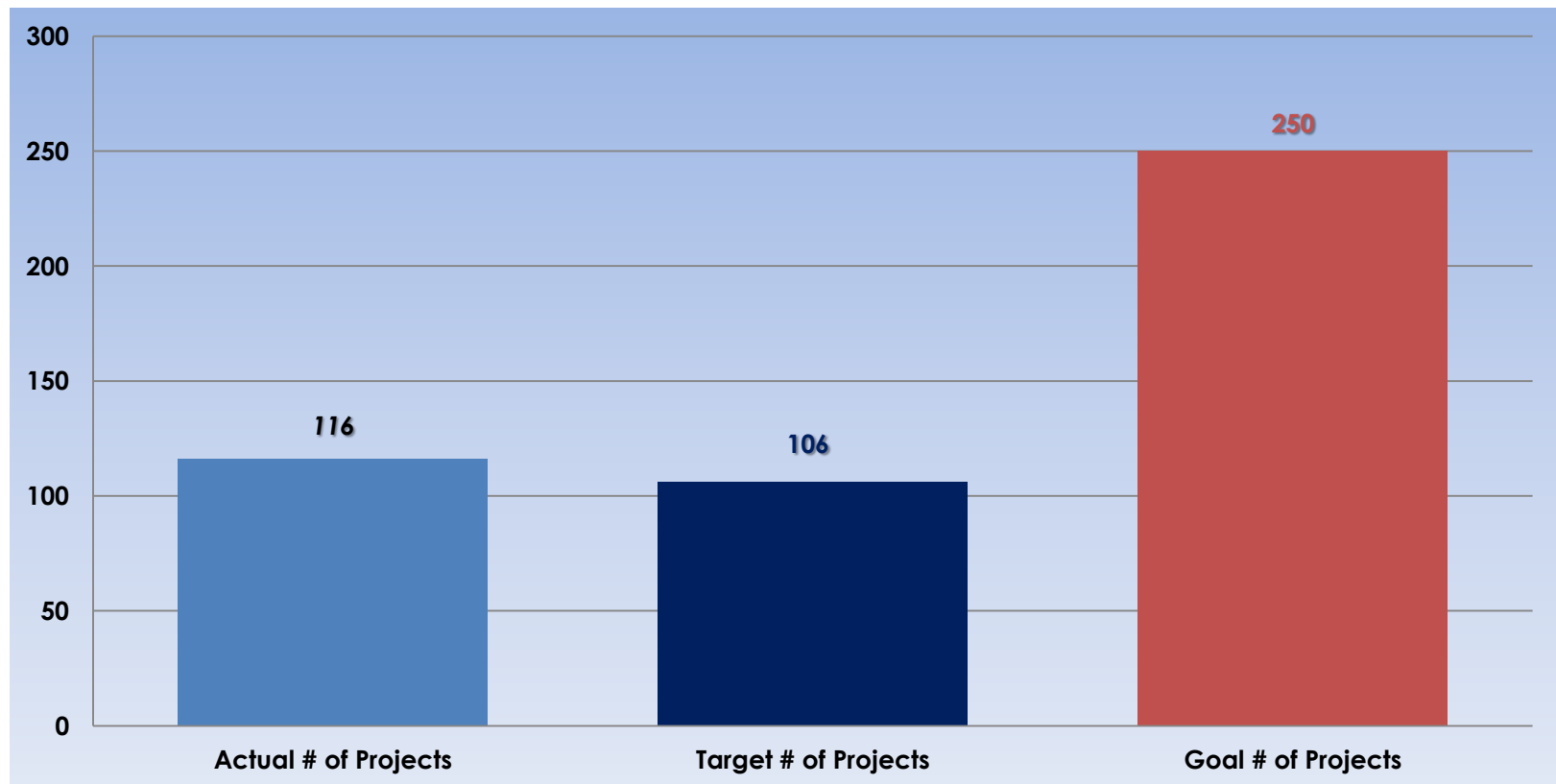
# TOTAL COMPETITIVE PROJECTS



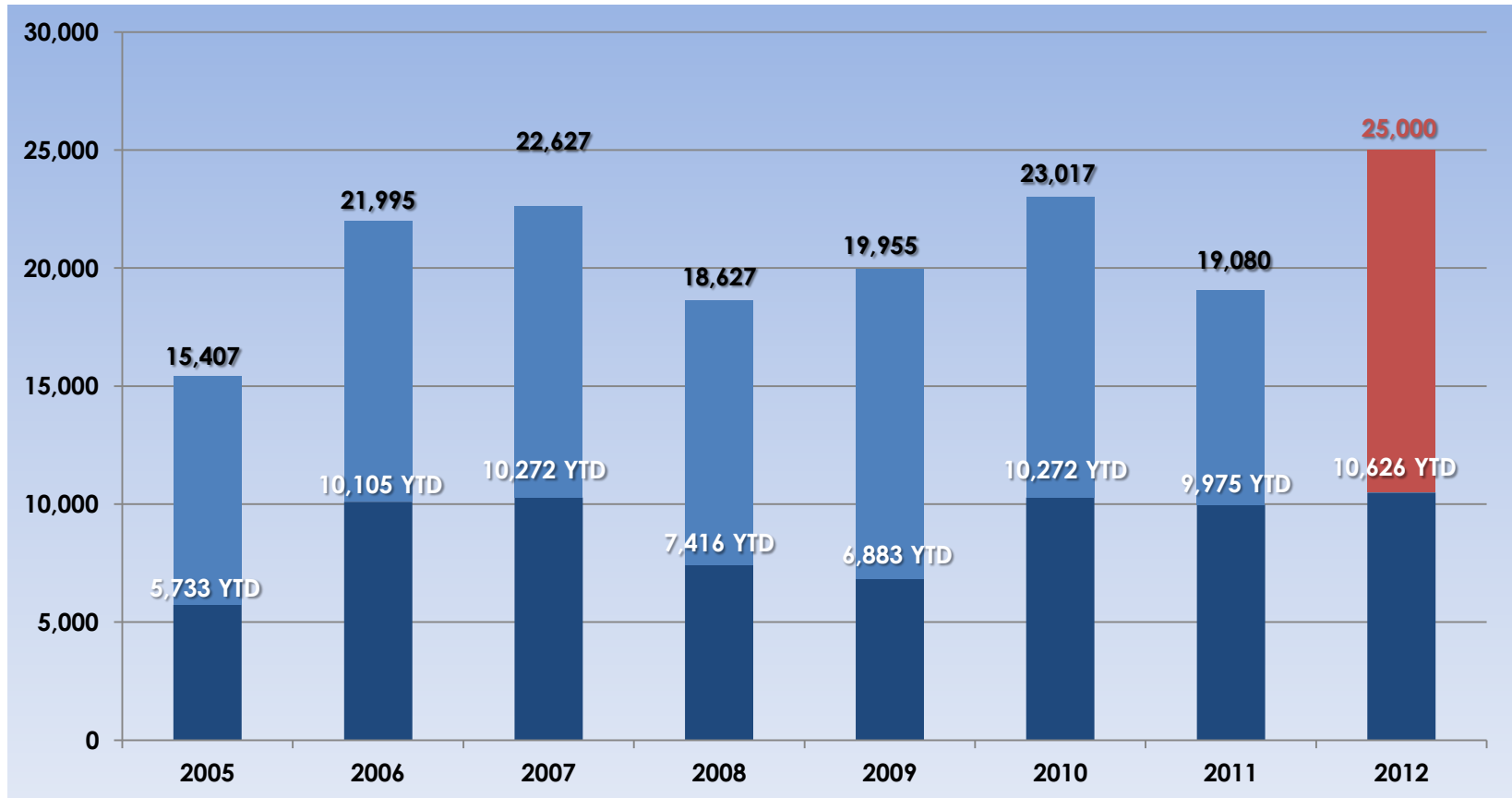
■ Goal  
■ YTD as of 6.12.12

# 12 MONTH GOALS

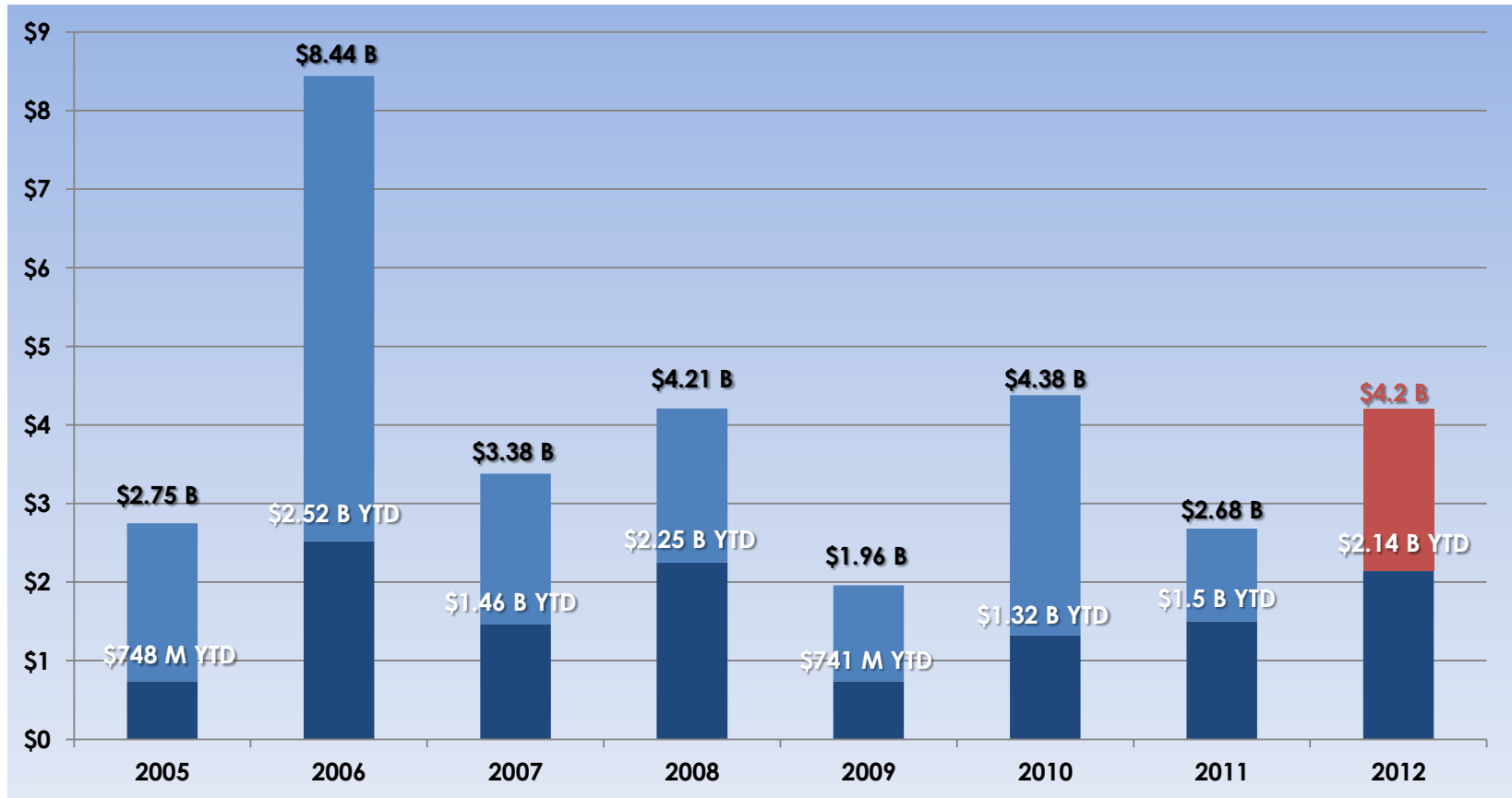
## 12 MONTH PROJECT COMMITMENT GOALS (JAN.1-DEC. 31, 2012)



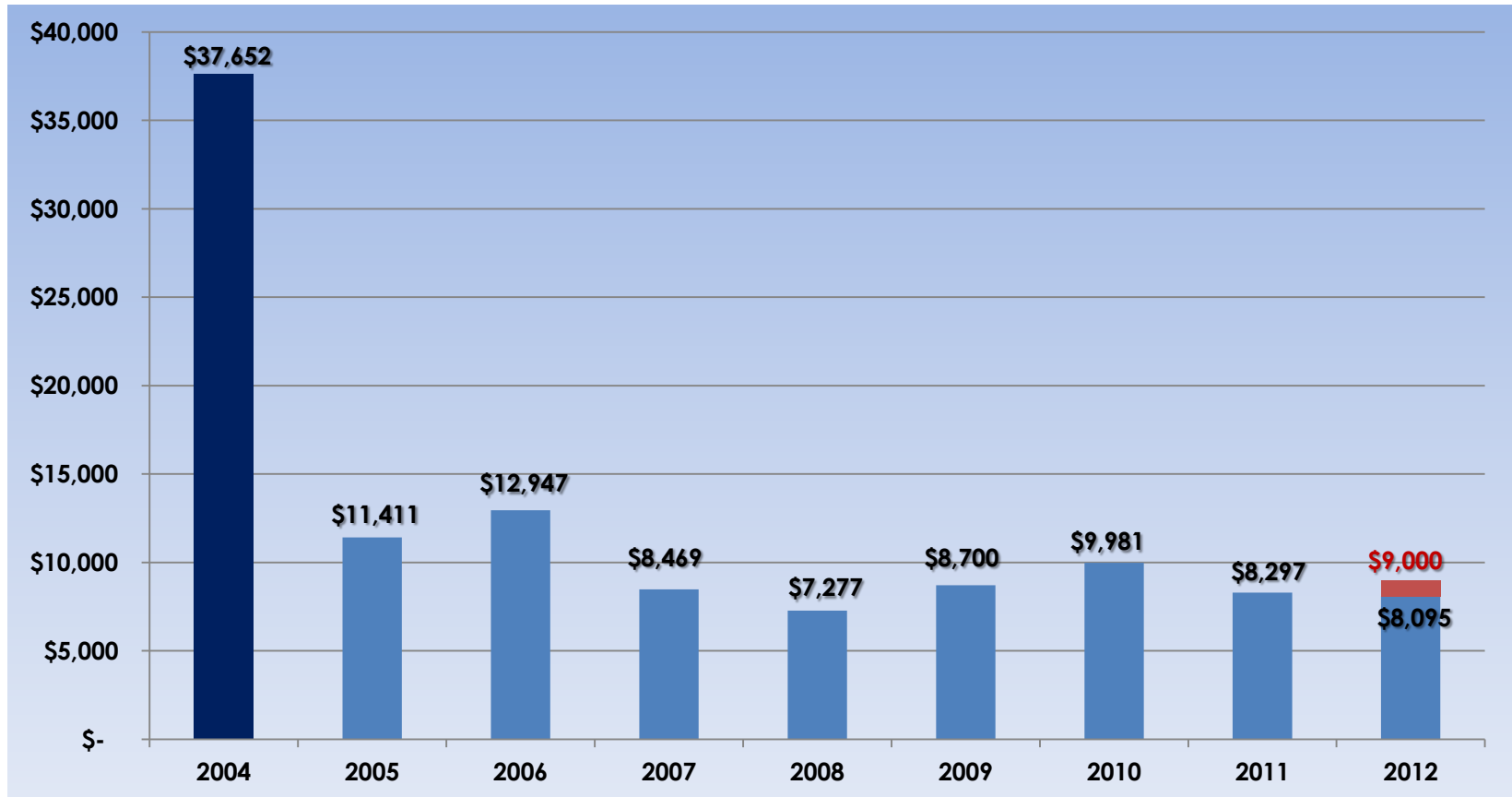
# PRIVATE SECTOR JOB PROJECTIONS



# PRIVATE SECTOR INVESTMENT PROJECTIONS



# CONDITIONAL INCENTIVES PER JOB



■ Goal

As of 6.12.12

# HOOSIER AVERAGE WAGE



# 2012 ACCEPTED DEALS: HOURLY WAGE

REGION	JOBS	YTD 2012 ACCEPTED DEALS HOURLY WAGE	2011 STATE HOURLY WAGE
Central	3,603	\$22.40	\$20.06
North Central	1,097	\$17.59	\$18.42
Northeast	1,710	\$21.85	\$17.78
Northwest	396	\$15.63	\$19.43
Southeast	2,482	\$18.48	\$17.60
Southwest	1,338	\$19.26	\$18.40
<b>TOTAL</b>	<b>10,626</b>	<b>\$20.25</b>	<b>\$19.36</b>



# WIN ANALYSIS

DEAL SIZE IS GOOD... HOWEVER, AVERAGE DEAL SIZE HAS NOT REBOUNDED

	2007	2010	2011	2012
Job Commitments Per Project	143	115	87.1	92.4
Investment Per Project	\$21,392,905	\$21,914,019	\$12,244,882	\$13,797,234

# ECONOMIC OVERVIEW

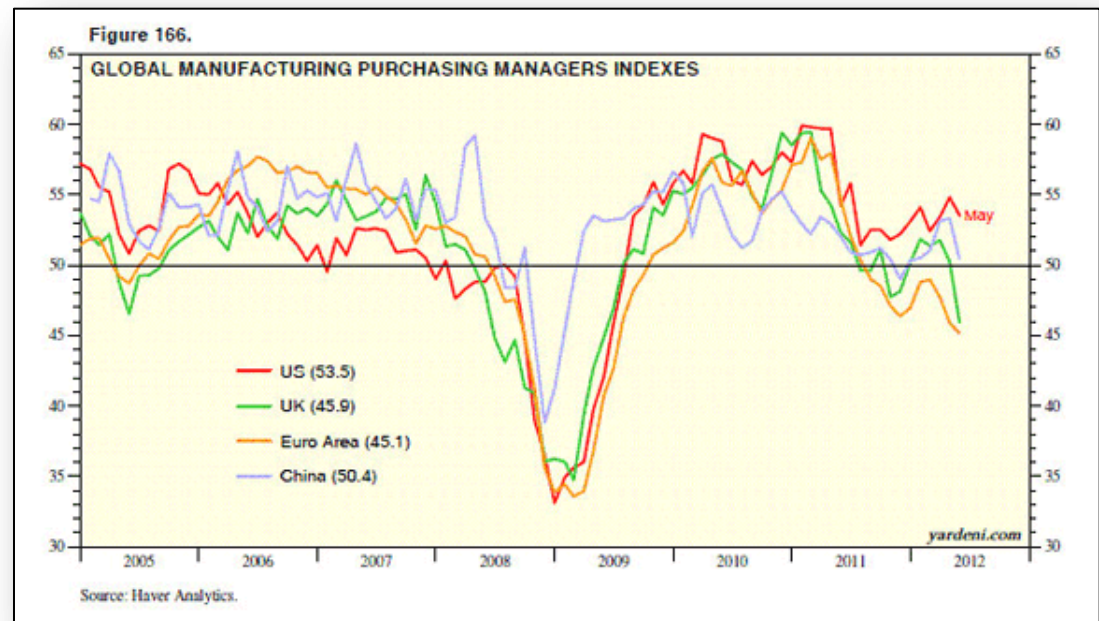
## EURO ZONE CRISIS & U.S. ECONOMY

*"I think people will tread water, probably for the next 5 or 6 months, and allow the presidential election to play itself out before making decisions about large projects."*

-Larry Gigerich, managing director, Ginovus, LLC

► Spain – 25% unemployment, banking collapse, economy estimated to contract by 1.8%.

► Greece – 22% unemployment, much at stake in June 17<sup>th</sup> elections. The Syriza Party says it would renege on austerity measures agreed to as part of the Greek bailout.



*Under 50 on this index implies a contracting industry.*

# RIGHT-TO-WORK RESULTS

## SINCE THE PASSAGE OF THE NEW LEGISLATION:

- ▶ 47 companies have communicated to the IEDC that Indiana's enactment of right-to-work will factor into their decision-making process of where to locate current projects.
- ▶ 40 of these projects have progressed to the pipeline stage, accounting for the potential of more than 5,320 new jobs and \$895 million in investment.
- ▶ Of these 40 companies, **13 companies have already accepted the IEDC's offer, accounting for more than 1,000 projected new jobs and more than \$204 million in investment.**



*"Then the right-to-work bill passed... and all of the dominos lined up. We were looking at other places, but Albion is home. We have a great workforce," said Nick Busche at an announcement that Busche will add up to 120 new jobs in Albion.*

# COMPANIES SAY RIGHT-TO-WORK MATTERS

*"Recently, Indiana became a **right-to-work** state and offers us a competitive location and a skilled work force... All of these factors went into choosing Indiana as an optimal location."*

*-David Donnay, vice president of human resources, Android*

*"**Right-to-Work**, tax incentives and economic development programs are really the key to creating jobs and SealCorpUSA is a real company with real jobs."*

*-Ken Rust, president, SealCorpsUSA*

*"Indiana has cultivated a pro-business environment with its outstanding infrastructure, talented workforce and recent legislation to lower taxes and become a **right-to-work** state."*

*-Monty Boyd, president and chief executive officer, Whyne Supply*

*"The recent enactment of the **right-to-work** legislation is further evidence of Indiana's commitment to providing the most competitive business environment possible for global companies like us to grow."*

*-Barry Schneider, vice president and general manager, Steel Dynamics' engineered bar products division*

*"The recent passage of the **right-to-work** law was just another example of the strong commitment by this state to promote growth and job creation..."*

*-Nick Busche, chief executive officer and president, Busche*

# RIGHT-TO-WORK RESULTS

## RIGHT-TO-WORK PIPELINE PROJECTS

40 of these projects have progressed to the pipeline stage, accounting for the potential of more than 5,320 new jobs and \$895 million in investment. Of these 40 companies, 13 companies have already accepted the IEDC's offer.

REGION	JOB	*RTW PIPELINE PROJECTS HOURLY WAGE	ALL YTD 2012 ACCEPTED DEALS HOURLY WAGE	2011 STATE HOURLY WAGE
Central	2,282	\$29.77	\$22.40	\$20.06
North Central	233	\$15.47	\$17.59	\$18.42
Northeast	1,144	\$19.33	\$21.85	\$17.78
Northwest	941	\$21.13	\$15.63	\$19.43
Southeast	490	\$23.65	\$18.48	\$17.60
Southwest	185	\$20.91	\$19.26	\$18.40
<b>**Total</b>	<b>5,275</b>	<b>\$24.45</b>	<b>\$20.25</b>	<b>\$19.36</b>

\*Includes both pipeline and accepted projects in which the company has identified right-to-work as a factor in its location decision.

\*\*Only includes data for projects that include both jobs & wage data.

# PROJECT WIN REPORT

## AMAZON.COM, JEFFERSONVILLE

- ▶ The Fortune 500 company will locate a new fulfillment center in Jeffersonville, its fifth Indiana facility.
- ▶ 1,050 projected new jobs
- ▶ \$74.9 million capital investment
- ▶ **Key Deal Factors:** Amazon sought a location in close proximity to a UPS hub (Louisville) and low operating costs (including workers' compensation). Also, the allocation of funds to improve Cox Road was instrumental in securing the project.

*"We're expanding in Indiana because Governor Mitch Daniels and the other state officials have demonstrated their commitment to Amazon jobs and investment."*

-Dave Clark, vice president, Amazon global customer fulfillment

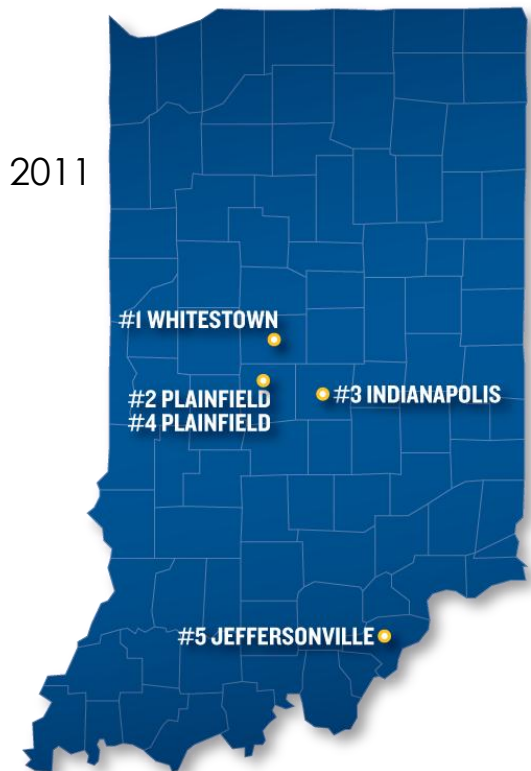
# AMAZON.COM'S INDIANA FOOTPRINT

THE NEW JEFFERSONVILLE FACILITY BRINGS AMAZON'S TOTAL FOOTPRINT IN INDIANA TO MORE THAN 4 MILLION SQUARE FEET

- ▶ **WHITESTOWN:** Opened in late-2008
- ▶ **PLAINFIELD #1:** Opened in late-2008
- ▶ **INDIANAPOLIS (GIRLS SCHOOL ROAD):** Opened in June 2011
- ▶ **PLAINFIELD #2:** Announced in July 2011
- ▶ **JEFFERSONVILLE:** Announced in March 2012

*"Indiana is home to thousands of Amazon employees, and we look forward to bringing additional jobs to the state this fall. We're grateful to state officials for their business-friendly approach, which supports our continued expansion in Indiana."*

-Dave Clark, vice president, Amazon global customer fulfillment





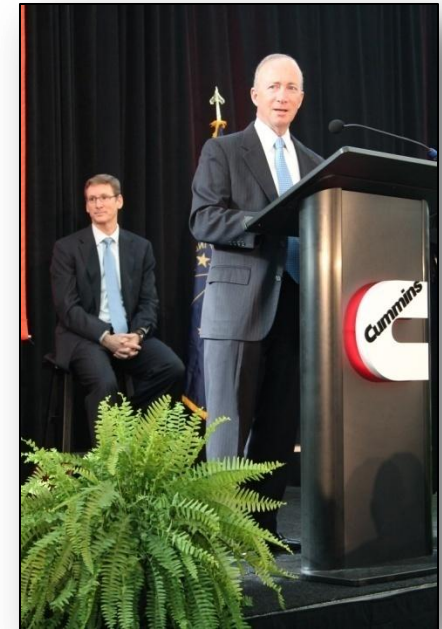
# COLLABORATION IS KEY

## CUMMINS, SEYMOUR

- ▶ The company will expand its high-horsepower campus in Seymour, including constructing a new office building and a new manufacturing facility.
- ▶ 290 projected new jobs
- ▶ \$219 million capital investment

## STATE INCENTIVES SUMMARY

- ▶ Training grants: up to \$250,000
- ▶ Certified Technology Park (CTP) designation: IEDC will support the city of Seymour's application to establish a CTP designation in an area that encompasses the Cummins campus.
- ▶ Indiana Department of Transportation-
  - State property transfer: Offered the company underutilized state real estate to support the company's expansion plans.
  - Gateway project: Assisted Seymour with up to \$3 million towards the completion of the project.
  - CSX: Will coordinate discussion with CSX to upgrade a Seymour railroad crossing proximate to the project.
- ▶ Indiana Finance Authority-
  - Provided guidance and legal advice in the INDOT property transfer.



*Governor Daniels joined executives on April 24 to announce that Cummins will expand its Seymour operations.*



# PROJECT LOSS REPORT

## ABBOTT NUTRITION, *FRANKLIN*

- ▶ An attraction opportunity for a liquid nutrition manufacturing facility that would produce Ensure and Glucerna.
- ▶ 400 projected new jobs
- ▶ \$270 million capital investment
- ▶ Company considered numerous markets with finalists being Franklin, Ind. and Tipp City, Ohio.
- ▶ **Key Deal Factors:**

	OHIO
State Offer	\$9.5 million (tax credits and loan)
Local Offer	\$21.2 million (variety of incentives including tax abatement)
Other Factors	Logistical costs were significantly less

# COMPLIANCE REPORT

**\$600,000 WAS COLLECTED DURING THE SECOND QUARTER**

## AMOUNT PURSUED

\$ Collected  
Performance Workout  
Unrecoverable  
In Collection  
Receivable

(projects originating 1994 to present)

IN MILLIONS

**\$13.3** (<2% of our awards)

\$ 5.1\*

\$ .5

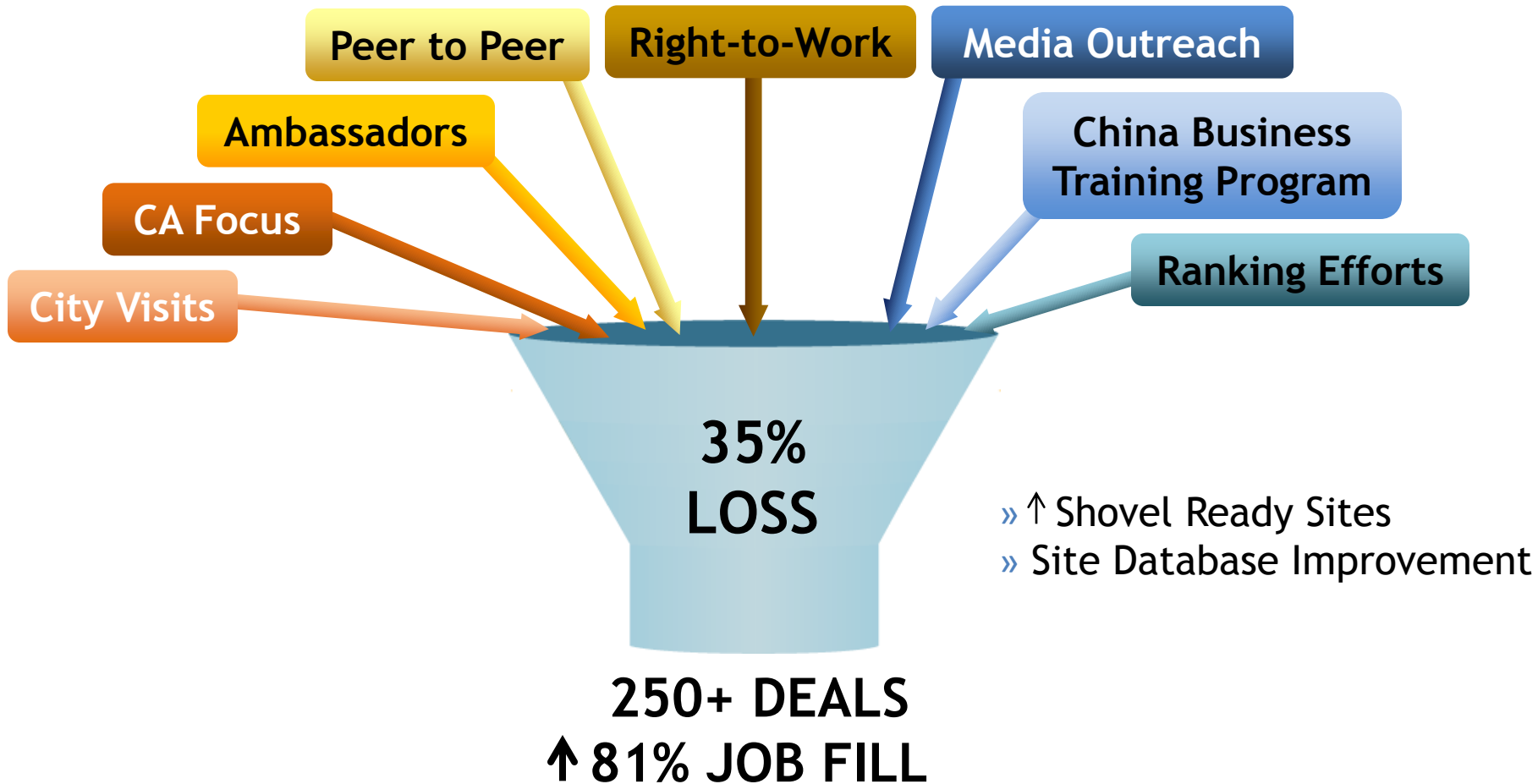
\$ 3.0

\$ 4.7

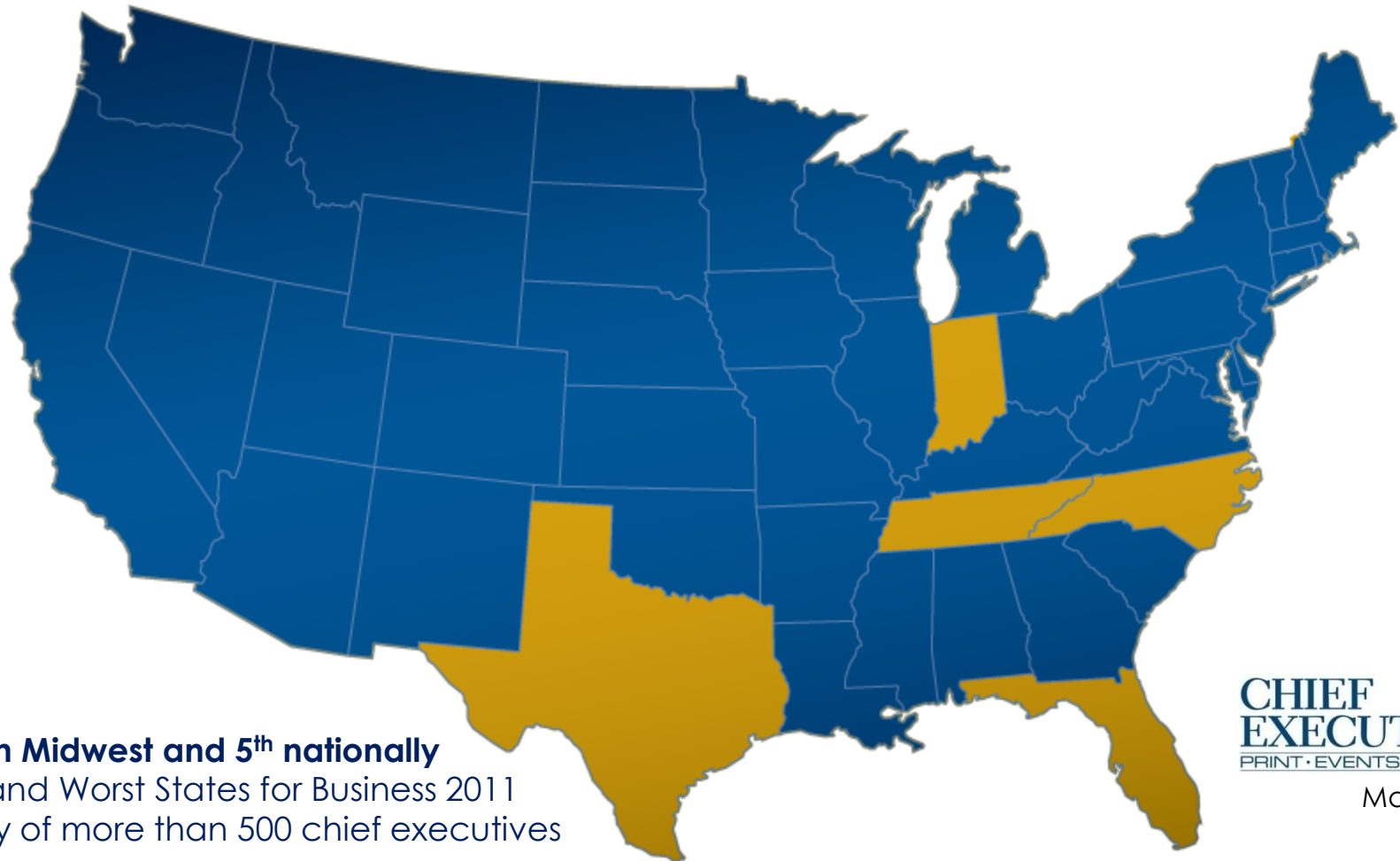
\$ 0

\*Since March 2012, .6 increase. Includes:  
Whirlpool Corporation, Evansville  
United Components, Inc., Evansville

# 2012 STRATEGY MAP



## INDIANA'S BUSINESS CLIMATE AMONG BEST IN U.S.



**Best in Midwest and 5<sup>th</sup> nationally**

Best and Worst States for Business 2011  
survey of more than 500 chief executives

**CHIEF  
EXECUTIVE**  
PRINT • EVENTS • ONLINE

May, 2012

# U.S. EMPLOYMENT GROWTH BY STATE

## YEAR OVER YEAR GROWTH



## 3 YEAR GROWTH



The maps represent growth rates for non-farm employment per state over the labeled period of time as of April 2012.

GREATEST GROWTH GREATEST LOSS

# BUILDING THE BUZZ

## INDIANA'S BUSINESS CLIMATE MAKES NATIONAL HEADLINES



### THE ATLANTIC | MAY 21, 2012

"I always say, Midwest quality at sunbelt cost structure," said Mitch Daniels, the Republican governor of Indiana. When we met in his office at the Indiana state capital, Daniels said the two states in his scopes are neighboring Illinois and California.

"It's a big world, and you have to look for your targets. So we look at American states, which are, as we see it, inordinately expensive, or even hostile to business."

Under Daniels' guidance, Indiana is cutting corporate income taxes from 8.5 percent to 6.5 percent, phased in gradually over the next four years. California's corporate tax rate in California is 8.84 percent.

Governor Daniels likes that comparison. "If I were being sarcastic, I'd say thank you. For reasons best known to them [California], they are so actively hostile to business. And it's reflected, business people tell us, not just in ever-higher taxes, but in punitive and hostile attitudes toward business."

# BUILDING THE BUZZ

## INDIANA'S BUSINESS CLIMATE MAKES NATIONAL HEADLINES



**NASDAQ**

Home | My NASDAQ | Tools | Mobile | Company List | ETFs | After Hours Quotes

Quotes & Research | Market Activity | News & Commentary

May 30, 2012 US Market Closed NASDAQ 2837.36 -33.63 ▼ -1.17% | DJIA 12419.86 -160.83 ▼ -1.28% | S&P

### Indiana Steps Up Economic Turf War With Neighboring Illinois

By Howard Packowitz, Of DOW JONES NEWSWIRES

ROSEMONT, Ill. -(Dow Jones)- Indiana's [economic](#) development chief crossed the border into neighboring Illinois Thursday, suggesting that existing [businesses](#) have a better chance to build profits if they relocate to the Hoosier state.

Indiana Commerce Secretary Dan Hasler spoke to about 125 site-selection consultants and commercial and industrial real estate agents attending the first Opportunity Indiana Summit, held in the Chicago suburb of Rosemont.

"It's not that we're trying to poach companies, but if they're going to move, let's keep them in the Midwest," said Hasler, who is also the chief executive of the state's economic development corporation.

Since January of last year, Indiana officials said they lured 17 Illinois businesses and close to 1,700 workers.

Turf battles between the states are intensifying even though a recently released report from the Paris-based Organization for Economic Cooperation and Development said such competition is counterproductive.

The OECD urged a more unified approach, particularly in such areas as workforce training and infrastructure improvements, for the region that encompasses Illinois, Indiana and Wisconsin.

[Back to Headlines](#)  
[Print Version](#)  
[Stumble it](#)  
[Tweet it](#)  
[Facebook](#)  
[LinkedIn](#)  
[More Options](#)

**DOW JONES**  
publishers of  
**THE WALL STREET JOURNAL**

### DOW JONES | MAY 10, 2012

Indiana's economic development chief crossed the border into neighboring Illinois Thursday, suggesting that existing businesses have a better chance to build profits if they relocate to the Hoosier state.

Indiana Commerce Secretary Dan Hasler spoke to about 125 site-selection consultants and commercial and industrial real estate agents attending the first Opportunity Indiana Summit, held in the Chicago suburb of Rosemont.

"If they're going to move, let's keep them in the Midwest," said Hasler, who is also the chief executive of the state's economic development corporation.

Since January of last year, Indiana officials said they lured 17 Illinois businesses and close to 1,700 workers.



# BUILDING THE BUZZ

## WHERE WOULD YOU PUT YOUR CORPORATE HEADQUARTERS?

We've narrowed your search to five cities and handicapped each.



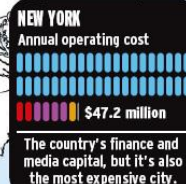
**SWEET HOME**  
By John Pletz

## CHICAGO?

GE Transportation, a unit of General Electric Co., announced last week that it is moving its corporate headquarters to Chicago from Erie, Pa. The Chicago area stacks up well against other big cities, despite Illinois' high corporate income tax rate, according to a new survey of 50 cities in the U.S. and Canada by Boyd Co., a Princeton, N.J.-based location consultant. Here are annual operating costs for a hypothetical 100,000-square-foot headquarters with 500 employees:



**Operating cost key**  
Labor cost  
Property/sales tax  
Amortization (mortgage cost, etc.)  
Travel cost  
Power



## THE BIG PICTURE

Annual operating costs in the top 50 U.S. metro areas (millions)

1. New York	\$47.2
2. San Jose, Calif.	\$46.6
3. San Francisco	\$46.2
4. Nassau/Suffolk, N.Y.	\$44.3
5. Newark, N.J.	\$43.4
6. New Brunswick, N.J.	\$42.2
7. Stamford, Conn.	\$42.2
8. Orange County, Calif.	\$42.1
9. Los Angeles	\$42.1
10. Boston	\$42.0
11. Bethesda, Md.	\$41.6
12. Chicago	\$41.4
13. Seattle	\$41.4
14. Philadelphia	\$40.7
15. McLean, Va.	\$40.3

## THE STATE OF CORPORATE HEADQUARTERS

Fortune 500 headquarters by state, 2012

1. California	53
2. Texas	52
3. New York	50
4. Illinois	32
5. Ohio	28
6. Virginia	24
7. Pennsylvania	23

## ILLINOIS' TOP FORTUNE 500 COMPANIES

Archer Daniels Midland	28 (ranking)
Walgreen	32
Boeing	39
State Farm	43
Caterpillar	46
Kraft Foods	50
Sears Holdings	65
Abbott Laboratories	71
United Continental Holdings	76
Allstate	93

Note: Each cost symbol equals \$1 million. Symbols are rounded, except for power, which is displayed as a fraction.  
Sources: Boyd Co., Money.CNN.com



# 100 REASONS CAMPAIGN

## SHOWCASES THE TOP 100 REASONS BUSINESSES CHOOSE INDIANA

### Launched May 10

- ▶ The compilation of 100 of the submitted reasons selected by an external judging committee and put into an interactive web site.
- ▶ The reasons highlight nearly every geographical part of the state, Indiana industries and quality of life.
- ▶ The site was developed by local vendors.

### Results

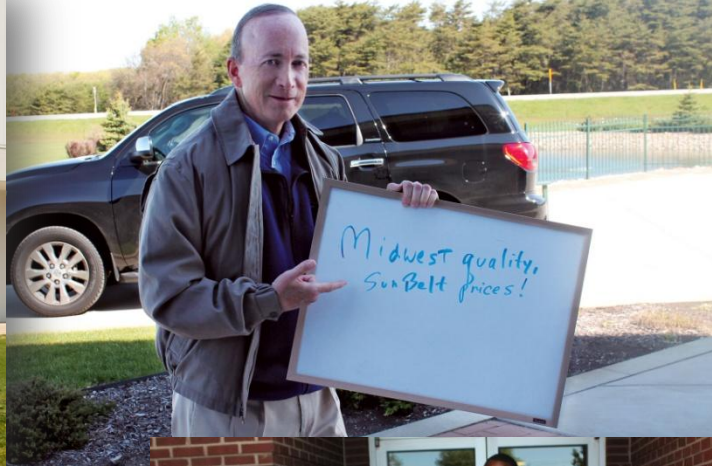
- ▶ 4,967 unique visitors
- ▶ 5,620 visitors total
- ▶ 5,885 unique page views



*"Every state touts their top five or ten reasons they are great for business. With Indiana's nationally acclaimed business climate, we knew we could do much more than that. IEDC challenged our business leaders and economic development partners to send us their top reasons Indiana works for them. And they answered in force."*

*-Dan Hasler, Secretary of Commerce*

# 100 REASONS CAMPAIGN



# UPCOMING EVENTS

EVENTS THAT WILL CONNECT NEARLY  
500 COMPANY EXECUTIVES AND SITE  
SELECTORS WITH IEDC OFFICIALS.

## April

- ▶ Los Angeles, CA: Sales Trip
- ▶ Germany: Sales Trip
- ▶ Austin, TX: Industrial Asset Management Council

## May

- ▶ New York, NY : Sales Trip
- ▶ Princeton, NJ : Sales Trip

## June

- ▶ Palm Coast, FL: Site Selector Roundtable
- ▶ Boston, MA: BIO International Conference

## July

- ▶ Indianapolis: Nagoya, Japan Chamber Chairman Visit

## August

- ▶ Chicago, IL: Sales Trip

## September

- ▶ Indianapolis: BMW Championship
- ▶ Minneapolis, MN: U.S./Midwest/Japan Conference

## October

- ▶ Italy/Germany: Sales Trip

*The IEDC booth at the YPO Pacific Edge Conference.*



# ECONOMIC DEVELOPMENT EVALUATION

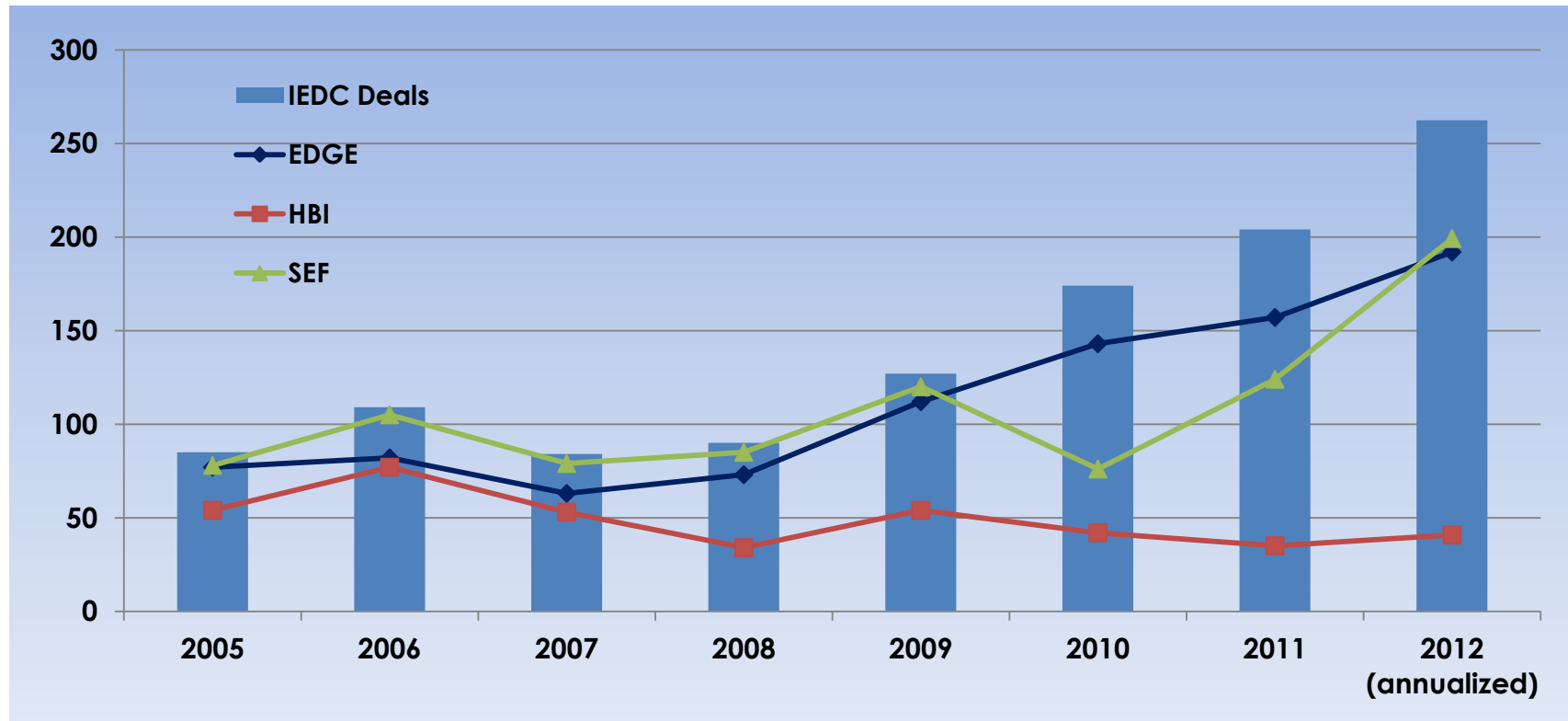
## QUESTIONS WE'RE ASKING OURSELVES IN PREPARATION FOR 2012 - 2013 LEGISLATIVE STUDY

- ▶ What is the purpose of each incentive and has the purpose changed over time?
- ▶ Are companies actually receiving the benefits of the incentives?
- ▶ Are certain incentives more useful than others, and why? Are the existing incentives broad enough to be used effectively across all industries?
- ▶ When will the costs and benefits of the incentive occur, and how long will they last?
- ▶ To what extent do the investments of companies receiving incentives filter into the broader economy, causing further economic gains?



# ECONOMIC DEVELOPMENT EVALUATION

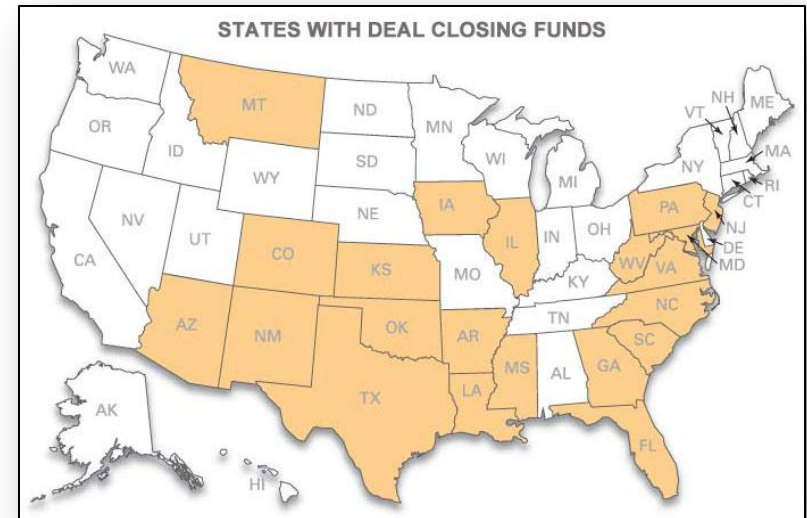
COMPANIES LOCATE & GROW IN INDIANA FOR THE SANDBOX.  
INCENTIVES ARE THE ICING ON THE CAKE.



# ECONOMIC DEVELOPMENT EVALUATION

## TRENDS IN OTHER STATES: DEAL CLOSING FUNDS

- ▶ Texas Enterprise Fund – largest and most established (2003) but questions remain about effectiveness.
- ▶ Once established, neighboring states feel compelled to establish their own to remain competitive. Florida's (2005) produced a chain reaction up the coast, while Oklahoma (2011) was the last contiguous state to follow Texas.



*Site Selection Magazine Web Exclusive, May 2012*

# ECONOMIC DEVELOPMENT EVALUATION

## POTENTIAL CONSIDERATIONS

### Frequent company requests:

- ▶ Modify the EDGE/HBI to give companies the opportunity to donate incentives to the local community.
- ▶ Make one or more existing credits transferable, refundable or both.

### Other possibilities might be to modify or eliminate credits that are not meeting intended objectives:

- ▶ **Headquarter Relocation Tax Credit** has never been used (it is non-refundable).
- ▶ **New Employer Tax Credit** has never been used (companies prefer EDGE).
- ▶ **Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit** has never been used.

# IEDC BOARD OF DIRECTORS

---

6.14.2012